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No. 98-1719

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Supreme Court of the United States

OCTOBER TERM, 1998

THOMSON S.A.,

Petitioner,

—v.—

QUIXOTE CORPORATION AND DISC MANUFACTURING, INC.,

Respondents.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY TO BRIEF IN OPPOSITION

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STATEMENT PURSUANT TO RULE 29.6

Petitioner's statement pursuant to Rule 29.6 may be found in its Petition for Writ of Certiorari.

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REPLY TO BRIEF IN OPPOSITION

Petitioner seeks a writ of *certiorari* because the decision below arbitrarily and illogically overturns the corroboration rule for third party witnesses, and it does so only months after the same court upheld the corroboration rule against third party witnesses in *Woodland Trust v. Flower Tree Nursery, Inc.*, 148 F.3d 1368 (Fed. Cir. 1998). The two cases are plainly inconsistent, and the status of the corroboration rule is now hopelessly muddled.

Respondents' Brief in Opposition fails to address the problem. Instead, Respondents argue that the issue is not ripe for resolution by this Court, because (i) the record below allegedly includes corroborating evidence, (ii) the corroboration rule should only apply to inventors and the witnesses below were not named as inventors, and (iii) the *Woodland Trust* case can assertedly be reconciled with the decision below, because the Federal Circuit purported to distinguish it.

Each of these arguments is without merit. First, the record contains no corroborating evidence on the only issue that matters, namely, whether the prototype video disc tested before Petitioner's priority date actually contained each of the required elements of the patent claims. On that crucial issue, there is only the uncorroborated testimony of one witness. Second, no case has ever held that the corroboration rule is limited to "inventors." On the contrary, the rule was routinely applied to witnesses who were not inventors in the *Woodland Trust* case. Third, despite the efforts of Respondents and the court below to craft a distinction, there is no way the result below can be reconciled with the facts and result in *Woodland Trust*. In *Woodland Trust*, the Federal Circuit applied the corroboration rule to non-inventor third party witnesses with no direct interest in the outcome. In this case, the same court reached the

opposite result and held that the rule does not apply to third party witnesses with no such direct interest.

The corroboration rule is extremely important in the U.S. first to invent patent system, because it safeguards valuable patents against the dangers of uncorroborated and unverifiable testimony about secret prior art. This Court should grant *certiorari* to resolve the conflict below and reinstate this important rule for all witnesses.[1]

I. Wilkinson's Testimony is Uncorroborated on the Crucial Prior Invention Issue

Respondents argue that the corroboration issue is not ripe for resolution on the facts in this case, because Wilkinson's

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[1] Respondents also argue that there is no precedent for this Court to resolve intra-circuit conflicts in the decisions of the same Court of Appeals (Opp. Br. 9), but this position is simply incorrect. *See Dickinson v. Petroleum Conversion Corp.*, 338 U.S. 507, 508 (1950) (*certiorari* granted to resolve a conflict between two panels of the same court).

Also, contrary to Respondents' implication (Opp. Br. 2), there is nothing in the rules that requires Petitioner to move for rehearing or rehearing *en banc* before petitioning this Court. In fact, it is well known that precedential opinions of the Federal Circuit are circulated to the full court before they are issued. *See* Internal Operating Procedures of the Federal Circuit, 14(3)(a) (December 1, 1998). The fact that the Federal Circuit has chosen to ignore an important conflict in its decisions does not mean that this Court should not resolve it.

testimony was allegedly corroborated by other evidence. (Opp. Br. 4-6). The problem with this argument is that none of the other evidence referred to relates to the issue.

Petitioner's patents were invalidated below solely on grounds of prior invention under 35 U.S.C. § 102(g).[2] The crucial issue in this defense was whether a particular prototype disc tested internally at MCA in June 1972 contained each of the required elements of the patent claims in suit. The June 1972 test was the only invalidating activity alleged to have occurred before Petitioner's priority date, and the only evidence on the details of the disc tested was the uncorroborated twenty-four year old recollections of one witness, Wilkinson. *A 870-875.*

Respondents' efforts to create the impression that corroborating evidence exists on this point are untenable. First, Respondents' only other fact witness, Canino, had no first-hand knowledge about the nature of the prototype disc tested in June 1972, and because of his lack of knowledge, his testimony on this issue was stricken from the record. [3] *A 994-*

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[2] The jury found (and judgment was entered) for Petitioner on all other issues. *A 40-42.*

[3] Respondents argue that only a portion of Canino's testimony was stricken and that the district court relied on other portions (Opp. Br. 5), but this is irrelevant to the issue. The issue was whether the prototype disc tested in June 1972 contained each of the elements of the patent claims, and on that issue, Canino's testimony was stricken. *A 994-996.*

Respondents' attempt to blend evidence about discs in 1972 and 1973 by summarizing Canino's testimony about "the

996. Second, although Respondents' expert Slaten tried to confuse the issue by listing various documents and physical exhibits in the general section of his report (Opp. Br. 6), he cited no evidence -- no document, no exhibit, no testimony -- in support of his comparison of the alleged prior invention with the patent claims. *A 4010-4013.* Nor could Slaten rely on personal knowledge to make up for this lack of evidence, because Slaten began work at MCA in 1973 and obviously had no personal knowledge of a prototype disc tested in 1972.[4] *A 1194-1195.* Finally, Respondents' reference to various documents and physical exhibits (Opp. Br. 6) is beside the point, because none of the physical exhibits were from 1972, and none of the documentary exhibits describe the June 1972 test or corroborate anything about the particular prototype disc tested.[5] *A 3278.*

MCA disc" (Opp. Br. 5) is misleading. It is undisputed that MCA was working on different types of discs, so that evidence about later discs cannot be substituted for evidence about the prototype disc tested in June 1972. Moreover, even if Respondents could avoid this problem by emphasizing that the disc "format" remained the same (Opp. Br. 6), this assertion still relies solely on the uncorroborated testimony of Wilkinson, who was the only witness alleged to have first-hand knowledge of the prototype disc tested in June 1972.

[4] The electron microscope photograph referred to by Respondents (Opp. Br. 6) was of a 1973 disc. *A 3674-3675.*

[5] Respondents' contention that there was a "race" to develop commercial products and that MCA was ahead of Petitioner in that race (Opp. Br. 4) is also irrelevant. Petitioner filed a patent application fully describing the invention on August 25, 1972. The only issue under §102(g) is whether

To support the prior invention defense, Respondents had the burden of proving that the prototype disc tested in June 1972 met each and every element of the patent claims. Since the only evidence they offered on this point was the uncorroborated testimony of Wilkinson, the corroboration issue is squarely presented in this case.[6]

MCA completed the same invention prior to that date.

Similarly, Respondents' contentions that others credit Philips and Sony with inventing CDs, and that Petitioner did not market a successful optical disc product itself (Opp. Br. 4), are irrelevant. Philips and Sony made other contributions to the structure of CDs later, but the basic format for storing information on CDs is covered by Petitioner's earlier patents, as is confirmed by the judgment of infringement in the case below. (Pet. 14a).

[6] Respondents' efforts to deny that the June 1972 test was secret prior art, because others inside MCA were aware of it and because MCA later publicized and marketed a commercial product (Opp. Br. 3), are without merit. In 1972, there was only a small group at MCA that knew anything about the details of the disc being tested, and Respondents prior public use defense based on their activities was rejected by the district court on summary judgment before trial. *A 77.* Moreover, the commercial product known as a laser disc (Opp. Br. 3) was based on a Philips' design and marketed much later, several years after MCA joined with Philips in 1974. *A 3626-3641.*

II. The Corroboration Rule is Not Limited to Inventors

Respondents argue that the issue of whether the corroboration rule should apply to third parties is "hypothetical" in this case, because the rule applies only to inventors, and Respondents' witnesses were not inventors.

This argument is untenable. First, the corroboration rule has never been limited to the testimony of inventors. While past decisions have stated *in dicta* that only an inventor's testimony needs to be corroborated, these statements were all made in cases where the contemporaneous documents in the record were sufficient to corroborate an inventor's oral testimony, and where the only issue was whether still further corroboration was required. [7] The courts in those cases were not faced with deciding the very different question of whether the corroboration rule should be applied to a witness because he either was or was not an "inventor." Moreover, while the issue may not have been decided in those earlier cases, it was certainly decided in the *Woodland Trust* case, where the Federal Circuit unquestionably applied the corroboration rule

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[7] The cases cited by Respondents are illustrative. In each of *Price v. Symsek*, 988 F.2d 1187 (Fed. Cir. 1993), *Holmwood v. Sugavanam*, 948 F.2d 1236 (Fed. Cir. 1991) and *Borror v. Herz*, 666 F.2d 529 (C.C.P.A. 1981), the record included oral testimony and corroborating documentary exhibits, and the only issue was whether further corroboration of the exhibits, or further corroborating testimony from missing witnesses, was also required. It is only in this context that the court stated that only an inventor's testimony needs to be corroborated.

to witnesses who were not inventors.[8]

Second, even if the rule were limited to inventors, it should still be applied to the oral testimony of Wilkinson, because he could have been named an inventor or co-inventor if MCA had filed a patent application on the work Respondents rely upon. Wilkinson recorded the information on the master disc which was used to make the replica prototype disc tested, and he was named as an inventor on other patents relating to the project in later years. *Tr. 861.* Surely the fact that MCA chose not to file a patent application on his work in June 1972 does not make his testimony more reliable or less in need of corroboration.

III. The Decision Below Cannot Be Reconciled with *Woodland Trust*

Respondents insist that the decision below and the *Woodland Trust* case are not inconsistent because the Federal Circuit itself perceived no conflict and purported to distinguish *Woodland Trust* on the ground that the *Woodland Trust* witnesses were all "interested persons and their friends." (Opp. Br. 2, 10-11).

If the facts in *Woodland Trust* are accepted as described by the court, however, there is no way the result in the two cases can be reconciled. In *Woodland Trust*, the Federal

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[8] The district court relied on Respondents' argument that the corroboration rule was limited to inventors in denying Petitioner's JMOL motion before the appeal. (Pet. 50a-53a). Although Respondents presented the same argument on appeal, the Federal Circuit did not rely on this ground for refusing to apply the corroboration rule. (Pet. 7a-12a).

Circuit reversed a judgment of invalidity where the district court had relied upon the oral testimony of four witnesses. Two of the witnesses were related to the defendant, one a family member and one a friend, but two were not. One witness was a former employee of a competitor who had no relationship to any of the parties whatsoever. *See Woodland Trust*, 148 F.3d at 1369. The Federal Circuit applied the corroboration rule to all four witnesses, and found their collective testimony insufficient as a matter of law.

In contrast, the Federal Circuit in the decision below arbitrarily limited the corroboration rule to circumstances where a testifying inventor was "a named party, an employee or assignor to a named party, or otherwise in a position where he or she stands to directly and substantially gain." (Pet. 12a). Even if this ruling were expanded to include "friends" with no such direct interest, there is no way the result can be squared with the result in *Woodland Trust*. If the decision below is allowed to stand, courts will be faced with the impossible task of applying two conflicting decisions from the Federal Circuit that are binding precedent for all future cases.

IV. The Corroboration Rule Should Be Reinstated for All Witnesses

The Federal Circuit's new exception to the corroboration rule is arbitrary and illogical. It leads to the anomalous result that the same patent could be declared invalid in one case, and valid in another case, based on the very same record, depending only on whether the witness testifying about an alleged prior invention was a third party in a particular case. Moreover, if the decision is also deemed to support Respondents' view that the rule applies only to named inventors, it leads to the even more absurd result that an

inventor's testimony is deemed more reliable (and consequently no longer in need of corroboration) if he (or his employer) does *not* file a patent application.

Respondents conclusorily assert that there is no anomaly (Opp. Br. 15), apparently on the erroneous ground that the corroboration rule is designed only to guard against the bias of a directly interested witness. The rule is not so limited. It was not the bias of the witnesses that this Court cautioned against in *Washburn and Moen Mfg. v. Beat 'Em All Barbed-Wire Co.*, 143 U.S. 275 (1892), it was the unreliable nature of oral testimony about alleged anticipations and the bias of the parties presenting it. This Court cautioned against "the unsatisfactory character of testimony, arising from the forgetfulness of witnesses, their liability to mistakes, their proneness to recollect things *as the party calling them would have them recollect them*" and against "*witnesses whose memories are prodded by the eagerness of interested parties*," *id.* at 284 (emphasis added); *see also Woodland Trust*, 148 F.3d at 1372.

The dangers to the first to invent patent system of allowing patents to be invalidated on oral testimony about secret prior art are no less serious when the testimony comes from a third party witness. In the absence of contemporaneous corroborating documents, the testimony about private experiments conducted long ago is equally unreliable and unfair to the patentee. The decision below should be reversed and the corroboration rule reinstated for all witnesses testifying about secret prior art.

CONCLUSION

For the foregoing reasons, the petition for a writ of *certiorari* should be granted.

Respectfully submitted,

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